

MINUTES OF DIRECTORS MEETING
LANE TRANSIT DISTRICT
REGULAR BOARD MEETING
Wednesday, December 16, 2015

Pursuant to notice given to *The Register-Guard* for publication on December 10, 2015, and distributed to persons on the mailing list of the District, the Board of Directors of the Lane Transit District held its regular meeting on Wednesday, December 16, 2015, beginning at 5:30 p.m., at the LTD Board Room, 3500 E. 17th Avenue, Eugene, Oregon.

Present: Gary Wildish, President
Carl Yeh, Vice President
Julie Grossman, Secretary
Gary Gillespie
Don Nordin
Angelynn Pierce

A. J. Jackson, General Manager
Jeanne Schapper, Clerk of the Board
Lynn Taylor, Minutes Recorder

Absent: Ed Necker, Treasurer

CALL TO ORDER/ROLL CALL: Mr. Wildish convened the meeting at 5:30 p.m. and called the roll.

PRELIMINARY REMARKS BY BOARD PRESIDENT: Mr. Wildish announced that the meeting was being video recorded as part of LTD's marketing program. He welcomed new General Manager A. J. Jackson. He said that Ms. Jackson had been busy acquainting herself with LTD and the community. She had the opportunity to participate in the ribbon cutting ceremony for the rehabilitated residential property that LTD donated for the Veterans' Housing Project.

COMMENTS FROM THE GENERAL MANAGER: Ms. Jackson thanked the Board for inviting her to be part of the LTD family. She said that she had been visiting communities within the District's boundaries and was looking forward to reporting future community engagement activities to the Board.

ANNOUNCEMENTS AND ADDITIONS TO THE AGENDA: None.

BOARD CALENDARS: Ms. Jackson briefly reviewed coming Board activities. She encouraged Board members to attend the December 17 employee potluck event.

Ms. Pierce invited those present to attend the Springfield State of the City address on January 11, 2016.

Mr. Nordin announced that the Governor's Transportation Vision Panel would hold the Lane County Regional Forum on January 13, 2016.

EMPLOYEE OF THE MONTH — JANUARY 2016: The Board recognized Bus Operator Brian Dorsey as the January Employee of the Month. Mr. Wildish presented Mr. Dorsey with his award and thanked him for his outstanding service and dedication to LTD's mission. Mr. Dorsey thanked the Board for his award and said that he appreciated his job with LTD, which he described as a new beginning. He commended his fellow employees throughout the organization.

AUDIENCE PARTICIPATION: Mr. Wildish determined that there was no one wishing to speak.

ITEMS FOR ACTION AT THIS MEETING:

MOTION Consent Calendar: Mr. Yeh moved adoption of the following resolution: LTD Resolution No. 2015-047: It is hereby resolved that the Consent Calendar for December 16, 2015, is approved as presented. Ms. Pierce provided the second. The Consent Calendar consisted of the Minutes of the October 12, 2015, Special Board Meeting and the Minutes of the November 9, 2015, Special Board Meeting.

VOTE The resolution was approved as follows:
AYES: Gillespie, Grossman, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

Comprehensive Annual Financial Report (CAFR): Finance Manager Todd Lipkin noted that links to the online versions of the CAFR and Single Audit documents had been sent to Board members, and printed copies were provided at the meeting along with a letter from Grove, Mueller & Swank, P.C., dated December 14, 2015. Mr. Lipkin introduced Charles Swank and Brian Pascarella of Grove, Mueller & Swank to present the documents.

Mr. Swank reviewed the CAFR, which he explained represented an unmodified opinion. He noted that this was the 19th year for which LTD had received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. He described new reporting requirements, specifically that financial reports now contain pension liability information. He said LTD's pension liability was a total \$16 million for both plans; and while that sounded large, it did not affect the General Fund or daily operations. He said that the CAFR contained an explanatory footnote about the pension liability. He said LTD's financial statements were often distorted by the receipt of federal grant funds for infrastructure and rolling stock.

Mr. Swank reviewed the Single Audit document that was required due to the receipt of federal dollars. The Audit determined whether or not the District had used those dollars as mandated. He said that a single finding addressed the submission of quarterly financial reports to the federal funding agency. He pointed out that staff had already taken remedial action to address the finding, and that would be confirmed during next year's audit.

Mr. Nordin asked if the CAFR contained information on the unfunded ratio of pension liabilities. Mr. Lipkin referred to pages 59 and 60 of the CAFR report, which indicated that the unfunded liability was 73 percent for the salaried employees' pension plan and 66 percent for the Amalgamated Transit Union (ATU) plan.

Mr. Gillespie commented that the Pension Trust was considering lowering the percentage of return and amount contributed, which would change those unfunded ratios.

MOTION Mr. Nordin moved the following resolution: LTD Resolution No. 2015-048: Resolved, that the LTD Board of Directors received the independent audit for Fiscal Year 2014-15, and accepts the independent auditor's reports contained in the Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ending June 30, 2015. Mr. Gillespie provided the second.

VOTE The resolution was adopted as follows:
AYES: Gillespie, Grossman, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

Point2point 2015-2020 Strategic Work Plan: Point2point Program Manager Theresa Brand explained that the Strategic Work Plan represented a summary of the region's collective vision around transportation options and services, and it identified the highest priorities for partners and LTD for the next five years. She said that approval by the LTD Board would strengthen the competitiveness for funding opportunities as they became available.

Mr. Gillespie asked if the strategies included support for implementation of the bike share program. Ms. Brand replied that an evaluation of need and current resources had been concluded, funding had been received, and the program would be launched soon on the University of Oregon Campus and in the City of Eugene. She stated that sponsorships were still being developed and a third party provider was being sought. She said that she would report back to the Board on the status at a future meeting.

Mr. Wildish commended the work plan.

Ms. Brand reported that an intern from Lane Community College (LCC) was responsible for the document's graphic design. She explained that annual evaluations of progress on strategies and goals would be provided to the Board. She thanked the Board for its support.

MOTION Mr. Yeh moved the following resolution: LTD Resolution No. 2015-049: Resolved, that the LTD Board of Directors approves the Point2point 2015-2020 Strategic Work Plan as presented. Mr. Grossman provided the second.

VOTE The resolution was adopted as follows:
AYES: Gillespie, Grossman, Nordin, Pierce, Wildish, Yeh (6)
NAYS: None
ABSTENTIONS: None
EXCUSED: Necker (1)

ITEMS FOR INFORMATION AT THIS MEETING:

Board Member Reports: Mr. Gillespie reported that the Governor's Oregon Passenger Rail Leadership Council had identified two alternatives for intercity passenger rail alignment. He

said the Leadership Council voted on the alternatives, and he was the only one who did not vote for the first alternative as he felt it made public rail transportation too dependent on Union Pacific's willingness to cooperate. He added that he submitted a minority report that encouraged the governor to develop a plan.

Ms. Grossman reported that a group would be convened to develop a proposed LTD Board position paper on Vision Zero for discussion. Mr. Yeh added that the intent was for the Board to take a leadership position in regional Vision Zero initiatives.

Ms. Pierce reported that the Board Service Committee had reviewed the airport connector service pilot project, which had been operating for about two weeks. She said that there had been a steady increase in use and the Committee would continue to evaluate the desire for, and effectiveness of, that service.

Solar Energy Collection on LTD Properties: Mr. Nordin referred to his earlier suggestion regarding solar collectors on the rooftops of LTD facilities as a way to fuel electric buses with ambient energy and reduce the use of fossil fuel. He introduced Brett Moser and Eric Nill of Advanced Energy Systems (AES) who would provide an overview of the impact on costs, benefits, and energy standards.

Mr. Moser distributed a document titled *LTD Glenwood Campus: 59 KW-119 KW Solar Election Systems*. He described AES's background and experience, and at Mr. Nordin's request had evaluated LTD's Glenwood campus and developed two proposals for solar-electric systems. He congratulated LTD on using electric buses in its fleet and said it would be very innovative to charge buses using solar panels.

In response to a question from Ms. Pierce, Mr. Moser explained that the lifetime of the panels was at least 35 years, with a 25-year production warranty that indicated panels would decrease by no more than half of 1 percent per year. He said that his experience in the field showed a much lower rate of degradation.

Mr. Yeh asked how long the roof on the bus facility would last and how difficult would it be to reinstall panels if the roof had to be replaced. Mr. Moser said that the roof was only 10 years old and should have many years of life remaining. In the event that it was replaced, many roofers were now learning how to do that as solar panels became more common. He noted that some installations did not require removal during re-roofing.

Mr. Gillespie asked if installation of solar panels was eligible for tax credits. Mr. Moser replied that public entities like LTD might not be eligible for tax credits, but there were several sources of grant funds available through the Oregon Department of Energy.

Mr. Nill said that in some areas of the country, solar panel installation was done through a private-public partnership for a power purchase agreement. He described various types of arrangements for power purchase agreements.

In response to questions from Mr. Nordin, Mr. Nill and Mr. Moser described a number of technical aspects of a solar panel installation and the benefits and drawbacks of moving forward now, waiting to see what technologies evolved in the future, or what changes might occur in the electric power industry. Mr. Nill said that the Oregon Energy Trust provided

some incentives for solar installations through certain utilities. He explained that the Eugene Water & Electric Board had a \$15,000 grant program available, along with other incentives.

Congressional Update: Government Relations Manager Edward McGlone announced that a five-year, fully funded transportation authorization, the Fixing America's Surface Transportation (FAST) Act, had been passed by Congress and signed by President Obama. He explained that LTD had key priorities for a transportation bill, most of which were included in the final bill:

- A long-term, fully funded bill with an identified funding source to restore the Bus/Bus Facility program to pre-MAP-21 levels;
- To protect the Small Starts program and allow projects to compete as a series of interconnected projects;
- To maintain at 80 percent of the federal match amount for Small Starts grant programs

Mr. McGlone said that the ability to submit a project that was a series of interconnected projects would expedite the build-out of the region's bus rapid transit system and increase the application's competitiveness. He said that the only priority not achieved was stable, long-term funding, creating funding problems during the next authorization. He said that the discretionary program also was restored, with a total of \$216 billion available--\$427 million of which were formula funds. That meant that LTD would have funds available for future bus replacement. He said that the maximum amount of federal share for a Small Starts project was increased from \$75 million to \$100 million, and the total size of a Small Starts qualifying project also was increased. He stated that accessing those new options would be delayed--pending the issuance of federal rules and regulations.

Mr. McGlone said that the bill also established a pilot program for rapid approval of Small Starts grants, although those required a private/public partnership, and federal match was limited to 25 percent of the total cost. He said that 5307 urbanized area funds had increased slightly. He noted that while the bill did not address long-term sustainable funding, it did provide five years of funding stability and addressed LTD's priorities. He commended the efforts of the United Front partnership and LTD's lobbyists in advocating for the transportation bill.

In response to a question from Mr. Nordin, Mr. McGlone said that nothing in the bill reduced the high level of competitiveness for available funding as the demand for projects was very high. He said that LTD had historically been very competitive with its project applications.

Mr. Wildish observed that certain types of projects had been moved from the 80 percent federal match to the 60 percent match category. He expressed that he was very pleased from LTD's perspective with the results of congressional action on a transportation package. He asked if the legislature was working on transportation funding for the state.

Mr. McGlone replied that there was serious commitment to passing a transportation bill during the 2017 session. He said that the environmental community would seek funds in 2016 to avoid the conflicts with transportation legislation that occurred in 2015. He said that the Oregon Transportation Forum and other advocates would be actively lobbying for a transportation package.

Mr. Gillespie asked if LTD would provide testimony during the Governor's Transportation Vision Panel's Lane County forum. Mr. McGlone replied that testimony would be provided, although no decision had been made yet on whether or not it would be oral or written.

Franklin Boulevard Update: Facilities Manager Joe McCormack provided an update on the City of Springfield's Franklin Boulevard road improvement project. He said that the first phase, consisting of design work, was well underway, and LTD staff had been working closely with City staff. He said that intersections were being replaced with roundabouts, which were displacing EmX stations along the corridor. Mr. McCormack used aerial photographs to illustrate the design and location of new stations. He noted that EmX would have an exclusive lane at each roundabout. He added that he felt the City's design would work well for LTD. He said that the 60-percent design would be completed in the current month and utilities would be relocated in the spring of 2016. Construction was expected to be completed at the end of 2017.

Mr. Nordin commented that it would still be difficult for pedestrians to cross two lanes of traffic. He asked if utilities would be moved underground. Mr. McCormack replied that LTD had concerns with the longer path for pedestrians to cross, but Springfield was cognizant of those concerns and the final design was still evolving. He stated that he was not certain if utilities would go underground as that was very expensive.

Utility Consumption Update: Facilities Management Project Coordinator Allie Camp provided a quarterly update on progress with utility savings and return on past facility improvements. She said that electricity consumption across facilities had increased by 5 percent over the past year, primarily due to increased consumption at the Glenwood facility and Springfield Station during the third quarter of 2015. However, if the average electricity use for the fourth quarter of 2015 occurred, LTD would have its lowest year of electricity consumption since data collection began in 2009. She reviewed the consumption graphs for electricity, water, natural gas, and waste disposal trends.

Mr. Nordin asked to have a temperature graph added to future utility consumption reports.

Board Committee Appointments: Mr. Wildish briefly reviewed current committee assignments. He noted that new General Manager A. J. Jackson was replacing former General Manager Ron Kilcoyne as ex-officio member of the Metropolitan Policy Committee and alternate member on the Lane Area Commission on Transportation. He reminded Board members that new assignments would be made at the end of June 2016 and asked Board members to inform him of their interests and preferences before the end of May.

Monthly Financial Report: Mr. Lipkin pointed out a formula error on the total budget year-to-date. He said that it had been corrected in the online document and did not affect the actual numbers. He explained that the largest driver remained the payroll tax take back, which would continue through the end of the fiscal year. He said that the District was ahead of budget for the year. Quarterly revenue fluctuations were due to variances in when payroll tax receipts were deposited. He said fuel expenses remained low; the cost was currently \$1.31 per gallon, and fuel was budgeted at \$3.15 per gallon. He noted that the transfer from the General Fund to the Accessible Services Fund also was under budget, which was good news.

Monthly Engagement Reports: There were no questions or comments.

Monthly Performance Reports: Mr. Wildish observed that performance reports looked positive, and it appeared that staffs' efforts to conserve resources and improve efficiency were effective.

Monthly Grants Report: There were no questions or comments.

Monthly Department Reports: There were no questions or comments.

Other Business: Mr. Wildish said that the presentation on solar panels had been requested by Mr. Nordin, and Mr. Wildish encouraged other Board members to bring forward topics they felt might be of interest to the Board and the District.

Mr. Yeh said that it was educational to learn more about solar energy, but he also felt it was important for the Board to look at the bigger picture of environmental stewardship for the entire system and to provide guidance to the general manager.

Mr. Nordin asked about next steps to assure that the issue was not dropped, such as specific direction to staff to collect information that the Board could use to make policy decisions.

Mr. Wildish asked if the Board wanted to direct staff to explore solar energy options.

Mr. Gillespie stated that he thought the question was the Board's relationship to the general manager and to the staff, which was consistently being redefined. He said that he appreciated the solar energy presentation and wanted to see it kept on the Board's radar. He said the Board's role with respect to solar energy and other interests is to focus on policy making. He said that he appreciated the general manager's response to his interest in a fareless system and her provision of information about similar systems in the United States and throughout the world. He said that he felt that type of interaction was very important, and Board members should bring their interests forward to be pursued for the benefit of the organization.

Ms. Jackson said that additional information on fareless systems would be forthcoming and shared with the entire Board. She welcomed the discussion of how Board members could best communicate issues that they wanted to be presented to the entire Board. She said that basic information on a topic could be provided quickly, followed by staff research and a fuller report and cost/benefit analysis. She asked for Board direction on pursuing additional information on solar energy.

Mr. Lipkin said that a solar installation project could be a candidate for inclusion in the annual process of updating the Capital Improvements Program (CIP) and prioritization along with other District capital projects.

Mr. Wildish determined that there was Board consensus for staff to develop further information on solar energy installations and bring the information back to the Board.

Mr. Wildish announced that Director of Customer Services and Planning Andy Vobora was leaving the District on January 29 to pursue other opportunities.

Board members joined Mr. Wildish in wishing Mr. Vobora well in future endeavors and commended the contributions he has made to the District over the last 32 years.

ADJOURNMENT: Mr. Wildish adjourned the meeting at 7:20 p.m.

LANE TRANSIT DISTRICT:

ATTEST:

Julie Grossman
Board Secretary

Jeanne Schapper
Clerk of the Board

Date Approved: _____

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